

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF PUERTO RICO

R&G FINANCIAL CORPORATION  
DEBTOR

CASE NO 10-04124-11 (ESL)  
CHAPTER 11

**NOTICE OF IMMATERIAL MODIFICATIONS TO THE DEBTOR'S FIRST AMENDED CHAPTER 11 PLAN OF LIQUIDATION**

**PLEASE TAKE NOTICE THAT** R&G Financial Corporation, the debtor and debtor-in-possession in the above captioned case (the “Debtor”) has filed its *Second Amended Chapter 11 Plan of Liquidation* (the “Second Amended Plan,” ECF No. 410) with the United States Bankruptcy Court for the District of Puerto Rico. The Second Amended Plan incorporates certain immaterial and technical modifications to the Debtor’s *First Amended Chapter 11 Plan of Liquidation* (the “First Amended Plan,” ECF No. 357). Consequently, the Debtor is filing this notice (the “Notice”) to inform all interested parties of these immaterial modifications.

**PLEASE TAKE FURTHER NOTICE THAT** each of the First Amended Plan provisions that have been modified in the Second Amended Plan are identified below in “blackline” form, which reflects the changes that are incorporated in the Second Amended Plan.

Article	Modification
I.A	37. “FINRA Claimants” means, collectively, Rebecca A. Diaz-Cruz, Lourdes R. Diaz-Antommattei, and Jose Morales-Steinman, each of whom who are plaintiffs in matter no. 10-01110 pending before the Financial Industry Regulatory Authority.

Article	Modification
<b>IV.G.5</b>	<p>5. <u>Subject to the process described below, as soon as practicable after the Effective Date, Liquidating RGFC shall pay the Trustee Fees.</u> As a precondition to payment of any Trustee Fees incurred prior to the Effective Date, each Indenture Trustee shall, at any time after the Effective Date and submit to the Bankruptcy Court its invoices and an application for payment of such Trustee Fees in accordance with Article XI.A of the Plan. The Indenture Trustees may submit such invoices and applications for payment of Trustee Fees to the Bankruptcy Court at any time before the hearing to consider confirmation of the Plan and/or up to the date that is <u>thirtysixty</u> (3060) days after the Effective Date, submit to Liquidating RGFC or the Plan Administrator, as applicable, and the U.S. Trustee, its invoices for payment of such Trustee Fees. Each Indenture Trustee shall also submit a statement reflecting the total amount sought pursuant to such invoice to each other Indenture Trustee. Liquidating RGFC or the Plan Administrator, as applicable, For the avoidance of doubt, the Indenture Trustees may submit more than one application for payment of Trustee Fees to the Bankruptcy Court, so long as any such applications are submitted within sixty (60) days after the Effective Date. The Bankruptcy Court shall review each application for payment of Trustee Fees for reasonableness, as required under section 1129(a)(4) of the Bankruptcy Code. After the Bankruptcy Court has approved an application for payment of Trustee Fees as reasonable, Liquidating RGFC shall, as soon as practicable thereafter, but in no event earlier than fourteen (14) days after receipt thereof, and unless the Plan Administrator objects thereto or has received an objection thereto from the U.S. Trustee, reimburse the applicable Indenture Trustee in Cash for such Trustee Fees; provided, however, that in exchange for such payment, the Indenture Trustee shall not assert a charging Lien for such payment on any Distribution made to and retained by the Indenture Trustee under the Plan on behalf of the Holders of the Subordinated Notes Claims. In the event any such objection as to reasonableness of the Trustee Fees (which shall be the only basis for objection) is made or received by the Plan Administrator (which objection shall be made in writing and served on the Plan Administrator, the U.S. Trustee and the Indenture Trustee whose Trustee Fees are the subject of such objection within fourteen (14) days of receipt of the applicable invoice or statement, but need not be filed with the Bankruptcy Court), Liquidating RGFC or the Plan Administrator, as applicable, shall, as soon as practicable after such objection period has run, reimburse such Indenture Trustee in Cash only for the unobjected to portion of such Trustee Fees. In the event the parties are unable to resolve the objection, the applicable Indenture Trustee may file a motion or application with the Bankruptcy Court in accordance with Article XI.A of the Plan seeking a determination concerning the reasonableness of such Trustee Fees or exercise their charging Lien under the applicable Indenture. Subsequent submissions by an Indenture Trustee of Trustee Fees incurred after the Effective Date may be made from time to time, but no more frequently than monthly, in the same manner (and with the same objection and payment procedures) as set forth above directly to <u>Liquidating RGFC for payment</u>. Nothing herein shall be construed as an agreement by an Indenture Trustee to a waiver of its charging Lien for any amounts not paid pursuant to this Article, including, without limitation, any fees and expenses (including the fees and expenses of its professionals) of any Indenture Trustee accrued prior to or after the Petition Date. In the event an Indenture Trustee chooses to exercise its charging Lien rather than seek payment through the provisions of this Article, such Indenture Trustee may do so through a deduction of amounts received in any Distribution and no other filings or requests shall be necessary.</p>

Article	Modification
<b>IX.F</b>	<p><b>F. Reservation of Litigation Rights</b></p> <p>Notwithstanding anything herein to the contrary, no provision of this Plan or the Confirmation Order (including without limitation Sections IV.H, IX.C and IX.D) shall have the effect of prejudicing, impairing, enhancing, or altering in any respect:</p> <ul style="list-style-type: none"> <li>(i) any rights, defenses, setoffs or counterclaims that may be asserted by the <del>Debtors' Debtor's</del> current or former officers and directors, solely on a defensive basis and not for any affirmative recovery, in respect of any Causes of Action that will vest in Liquidating RGFC pursuant to Sections IV.H and IX.C hereof and that may be brought against them by the Plan Administrator or Liquidating RGFC;</li> <li>(ii) any rights, defenses, or Causes of Action of the Debtor that will vest in Liquidating RGFC pursuant to Sections IV.H and IX.C hereof, it being understood that the effect of the Plan and Confirmation Order is to be "litigation neutral" with respect to all such rights, defenses or Causes of Action;</li> <li>(iii) <u>the FINRA Claimants' rights to request that the Bankruptcy Court compel liquidation of their respective claims against the Debtor's estate in an arbitration proceeding before the Financial Industry Regulatory Authority, or the rights of the Debtor and/or Plan Administrator to object to the FINRA Claimants' request to compel liquidation of such claims through an arbitration proceeding.</u></li> </ul>
<b>XI.A</b>	<p><b>A. Final Fee Applications and Initial Trustee Fees</b></p> <p>The deadline for submission by Professionals of applications for Bankruptcy Court approval of Accrued Professional Compensation, and by each Indenture Trustee for payment of any disputed Trustee Fees incurred on or before the Effective Date, shall be <del>30</del>sixty (60) days after the Effective Date; <u>provided, however, that an Indenture Trustee may file one or more applications for payment of Trustee Fees prior to the Effective Date.</u></p>

**PLEASE TAKE FURTHER NOTICE THAT the hearing to consider confirmation of the Second Amended Plan will be held on November 29, 2011 at 2:00 p.m. (prevailing Atlantic Time)** at the United States Bankruptcy Court for the District of Puerto Rico United States Courthouse, 300 Recinto Sur Street, San Juan, Puerto Rico 00901 (the “Bankruptcy Court”). **Any objections to confirmation of the Second Amended Plan must be filed with the Bankruptcy Court by 4:00 p.m. Atlantic Time on November 17, 2011** and comply with the *Order (I) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject the Debtor's First Amended Chapter 11 Plan of Liquidation, (II) Scheduling a Hearing*

*and Establishing Certain Notice and Objection Procedures in Respect of Confirmation of the Debtor's First Amended Chapter 11 Plan of Liquidation, and (III) Granting Certain Related Relief* (the "Solicitation Procedures Order," ECF No. 361).

**PLEASE TAKE FURTHER NOTICE** that copies of this Notice, the Second Amended Plan, "blackline" documents comparing the First Amended Plan and Second Amended Plan, the Solicitation Procedures Order and all other documents relating to the Second Amended Plan may be obtained, free of charge, by contacting Kurtzman Carson Consultants LLC, 599 Lexington Avenue, 39<sup>th</sup> Floor, New York, NY 10022, (the "Voting Agent") (i) by first class mail, personal delivery, or overnight courier, at Kurtzman Carson Consultants LLC, 599 Lexington Avenue, 39<sup>th</sup> Floor, New York, NY 10022, Attn: R&G Financial Corporation; or (ii) telephoning the Voting Agent at 888-249-2741. Copies of such materials are also available on the Internet, free of charge, at: [www.pattonboggs.com/newsletters/rgfc](http://www.pattonboggs.com/newsletters/rgfc)

Dated: October 27, 2011

Respectfully submitted,

/s/ Brent McIlwain

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Counsel for the Debtor  
and Debtor-in-Possession

**Certificate of Service**

I certify that on October 27, 2011, a copy of the foregoing was served by (i) the Electronic Case Filing System for the United States Bankruptcy Court for the District of Puerto Rico; and (ii) via first class mail to the parties on the Service List attached hereto that are unable to receive electronic notices.

*/s/ Brent McIlwain*  
Brent McIlwain

## Service List

<b>Twenty Largest Unsecured Creditors</b>		
Wilmington Trust Company Attn: Steven M. Cimalore Rodney Square North 1100 North Market Street <b>Wilmington, DE 19890</b>	Fifth Third Bank 21 East State Street Columbus, OH 43215	Primatics Consulting 8401 Greensboro Drive McLean, VA 22102
SenseCorp 2751 Sutton Blvd Suite 200 <b>St. Louis, MO 63143</b>	Honorable Secretario de Hacienda Edificio Intendente Ramirez Paseo Covadonga <b>San Juan PR 00901-2618</b>	Riskspan 8150 Leesburg Pike Suite 200 <b>Vienna, VA 22182</b>
R-G Premier Bank of Puerto Rico Retirement Plan PO Box 2510 Guaynabo, PR 00970-2510	Carlos M. Machado PA 2030 Douglas Road Suite 210 Coral Gables, FL 33134	American Stock Transfer 6201 15th Avenue 2nd Floor Brooklyn, NY 11219
AT&T PO Box 105068 Atlanta, GA 30348-5068	Information Resources Group PMP 637, Suite 105 89 De Diego Ave <b>San Juan, PR 00927-6346</b>	Bowne of Atlanta, Inc. PO Box 101691 Atlanta, GA 30392-1691
Adsuar Moñiz Goyco Seda Perez Ochoa, PSC PO Box 70294 <b>San Juan, PR 00936-8294</b>	CRIM PO Box 195387 <b>San Juan, PR 00919-5387</b>	Triple S Inc. PO Box 363628 <b>San Juan, PR 00936-3628</b>
ADP, Inc. PO Box 9001006 Louisville, KY 40290-1006	CIMA IT Solutions Corp. 203 Mansiones de Coamo Coamo PR 00769	Aflac 1932 Wynton Rd Columbus, GA 31999-0797
AT&T Mobility PO Box 6463 Carol Stream, IL 60197-6463		
<b>Office of the United States Trustee</b>		
José Diaz-Vega Office of the US Trustee Ochoa Building 500 Tanca Street, Suite 301 <b>San Juan, PR 00901</b>		
<b>Secured Creditor</b>		
FirstBank International Branch c/o Martinez Odell & Calabria P.O. Box 190998 <b>San Juan, PR 00919-0998</b>	Fernando J. Valderrabano Martinez Odell & Calabria PO Box 190998 <b>San Juan, PR 00919-0998</b>	
<b>Other Interested Parties</b>		
Christopher A. Ward Polsinelli Shughart PC 222 Delaware Avenue, Suite 1101 <b>Wilmington, DE 19801</b>	Juan M. Suarez-Cobo Legal Partners, PSC. 138 Winston Churchill Ave, Suite 316 <b>San Juan, PR 00926-6023</b>	Nelson Robles Díaz Nelson Robles-Diaz Law Offices, P.S.C. PO Box 190998 <b>San Juan, PR 00919-0998</b>
Susan R. Sherrill-Beard Senior Trial Counsel 3475 Lenox Road, N.E., Suite 1000 Atlanta, GA 30326-1232	R&G Capital Trust III, V, VI c/o Steven M. Cimalore Wilmington Trust Company Rodney Square North 1100 North Market Street <b>Wilmington, DE 19890</b>	Todd Meyers Mark Fink Kilpatrick Stockton LLP 1100 Peachtree St, NE, 17th Floor Atlanta, GA 30309-4530
Eldia Diaz-Olmo P.O. Box 363952 <b>San Juan, PR 00936-3952</b>	Sylvia C. Lugo Sotomayor #7 Calle Bayamon <b>San Juan, PR 00918</b>	Charles A. Cuprill, Esq. Charles A. Cuprill, P.S.C. Law Offices 356 Fortaleza ST, Second Floor <b>San Juan, PR 00901</b>
Hermann D. Bauer Ubaldo M. Fernández O'Neill & Borges American International Plaza 250 Muñoz Rivera Avenue, Suite 800 <b>San Juan, PR 00918-1813</b>	Jose Raul Cancio Bigas Ileana Oliver Falero Cancio Covas & Santiago, LLP MCS Placa Building, Suite A 255 Ponce de Leon Ave Hato Rey, PR 00917	Manuel Fernandez-Bared Jane Patricia Van Kirk Toro, Colon, Mullet, Rivera & Sifre PSC PO Box 195383 <b>San Juan, PR 00919-5383</b>

Myra M. Vélez-Plumey PO Box 70179 San Juan, PR 00936-7179	Federal Reserve Bank of New York Attn : Thomas Oravetz 33 Liberty Street New York, NY 10045	Federal Reserve Attn : Scott G. Alvarez 20th Street and Constitution Ave NW Washington, DC 20551
A. Neil Hartzell LeClair Ryan One International Place Eleventh Floor Boston, MA 02110	Dennis S. Klein William Sanchez Hughes Hubbard & Reed LLP 1775 I Street NW Washington, DC 2006-2401	Puerto Rico OCFI Attn : Alfredo Padilla PO Box 11855 San Juan, PR 00910-3855
Vivian Ortiz-Ponce PMB 315, Suite 67 35 Juan C. Borbon Guaynabo, PR 00969-5375		